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4 March 1957

TO : Chief of Station, [REDACTED]

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FROM : [REDACTED]

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SUBJECT: Reconciliation of FPA Financial Accounts with Stock
Record Cards

1. The Station has experienced difficulty in the reconciliation of the financial accounts with the Stock Record Cards in the initial period of operation of the FPA procedures, which were established as of 1 September 1956. The following table indicates the present status of reconciliation efforts within each family group:

<u>Material Group</u>	<u>Date of Reconciliation</u>	<u>Property on Hand</u>	<u>Property in Use</u>
		<u>Books over Cards</u>	<u>Books over Cards</u>
1	31 Jan. 1957	\$ 505.78	In Balance
2	30 Nov. 1956	1,147.07	\$ 167.17
3	31 Jan. 1957	490.44	16,415.62
4	31 Jan. 1957	10.73	In Balance
5	30 Nov. 1956	49.05	788.56
6	30 Nov. 1956	20.99	In Balance
7	31 Oct. 1956	(\$1,052.98)*	1,707.57

*Represents amount by which Stock Record Cards exceed FPA financial accounts.

2. Extensive effort has been expended in accomplishing the reconciliations of the material groups over the past several months. After comprehensive discussions with Station Logistics and Finance personnel it was concluded that the following action should be taken for the purpose of effecting the required reconciliations:

a. Material Group 1

The Station personnel have made extensive effort to reconcile material group 1. All detailed operations of the Logistics and Finance Offices under the FPA procedures from 1 September 1956 to 31 January 1957 have been completely rechecked and an unreconciled balance of \$505.78 remains. Further reconciliation effort to ascertain the cause of this difference would require repetition of the detailed verifications previously made and many work hours to perform which it is believed would

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be better applied toward reconciling other material groups for which reconciliations have not yet been accomplished. In view of the foregoing it is recommended that as an exception to the procedure set forth in [REDACTED] authorizing adjustments of unreconciled differences of \$100 or less, the Station record an adjustment in this case of the \$505.78 difference by charge to the prescribed adjustment account.

b. Material Group 2

At this time no effort has been made to reconcile this material group other than to prepare listings of property on hand and in use from the Stock Record Cards and compare these listings with the FPA account balances. Station personnel estimated 160 man hours will be required to check the detailed transactions and effect a reconciliation. It was agreed that reconciliation of this material group should be performed as soon as feasible after the reconciliations of groups recommended in the following subparagraph have been effected.

c. Material Groups 3, 4, 5 and 6

Under authority contained in the revised [REDACTED] action will be taken to adjust the unreconciled differences amounting to less than \$100 in material groups 4, 5 and 6. Further effort will be made to reconcile property in use in material group 5 for which it is estimated 80 hours will be required. With respect to material group 3, it is estimated that 16 additional hours will be required to complete reconciliation. Accordingly, it was agreed that first attention will be given to completing the reconciliations of property on hand and in use in group 3 and property in use in group 5. Also, as soon as feasible reconciliations of material groups 5 and 6 should be brought up to a current status.

d. Material Group 7

Extensive effort has been exerted to reconcile this material group; however, the Station Finance and Logistics personnel are of the view that because of the large number of errors identified in the first effort it would be desirable to make a complete reconciliation of group 7 for the period from 1 September 1956 to date. It was agreed that this will be initiated as soon as other action indicated above has been consummated.

3. Following is a summary of the action recommended:

- a. Make the adjustment in material groups 1, 4, 5, and 6 as outlined above.
- b. Give priority to completing reconciliations through current date on Material Groups 5 and 6, and in keeping Material Groups 1, 3, 4, 5 and 6 currently reconciled.

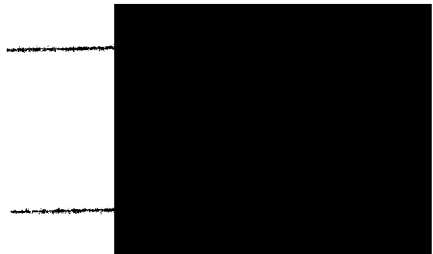
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- c. Devote all available time to accomplishing reconciliation of Material Groups 2 and 7 in line with par. 2 b and d above.

4. Although the Financial Property Accounting Procedures contemplate that reconciliation adjustments will be limited to \$100 or less, it is recognized that during the initial period of installation and operation that a greater degree of latitude in making adjustments may be warranted provided, the facts in each case indicate that such adjustments would contribute to the effective operation of the system by permitting more efficient utilization of manpower on current work. It is therefore suggested that as soon as the Station completes the steps required by the FPA procedures for the initial reconciliations of each material group, you advise the FE Comptroller in the event differences in excess of \$100 exist. In transmitting such advice please outline the efforts made toward reconciliation, the amount of the unreconciled difference and other pertinent facts. Also, please give your recommendation as to whether additional effort should be expended on the reconciliation or your recommendation to adjust the difference with your reasons therefor. Based upon the facts presented the FE Comptroller [REDACTED] will initiate necessary action to authorize adjustments wherever the facts appear to warrant.

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